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DEPARTMENT OF LAW**

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**COLORADO COLLECTION AGENCY BOARD
BOND CLAIM FORM**

Instructions

Collection agencies licensed in Colorado must file a surety bond or assign a cash deposit of at least \$12,000 with this office. The amount of the bond varies depending on the average annual amount collected by the agency. The maximum bond amount required is \$20,000. As the amount of the bond is limited, claims may be pro-rated or possibly denied depending on the availability of funds.

The bond is for the protection of clients who placed debts with the collection agency for collection but did not receive remittances of money collected. It is imperative claims be filed as quickly as possible following the discovery of the deficiency. The collection agency is permitted to retain the fees or commissions contracted for so your claim must be reduced by these amounts. The bond covers only amounts paid by consumers on debts owed for personal, family, or household purposes. It does not cover amounts collected from business, commercial, agricultural, or investment debts, even if owed by an individual.

Your bond claim will be reviewed for a preliminary determination as to whether the claim is valid. Generally an administrative hearing is held in order to make this determination. If your claim is found to be valid, a demand will be made on the surety for payment of the bond proceeds. It may take a few months to resolve your bond claim.

In order to file a claim against a collection agency, please complete the attached form and mail it to the Collection Agency Board at the address shown on the Bond Claim Form.

An officer, on behalf of a corporation, may file the bond claim form but the corporation must retain an attorney to participate in the bond claim hearing, examine witnesses, and/or introduce evidence unless it meets the requirements of section 13-1-127, C.R.S. That law permits privately held corporations with no more than 3 shareholders to appear in court and administrative proceedings by a corporate officer if the amount in controversy is \$10,000 or less and the corporation files a notarized copy of a written corporate resolution signed by at least 50% of the shareholders of record authorizing the appearance of the officer.

Any decision to award payment of a claim from the surety bond will be based on the information you provide in the bond claim form and present at any hearing held. You should therefore complete this bond claim form as completely and accurately as possible. It is your obligation to prove the

validity of the claim. This might include copies of canceled checks or receipts for cash payments from consumers to the agency, correspondence, affidavits, agency account statement or status reports, copies of insufficient funds checks written to you from the agency, and other documentation.

The amount of the bond is the maximum amount that the Board can demand from the surety. If all valid claims exceed the bond amount, claims will be prorated. The Board cannot award damages, interest, or other remedies that might be available to you in a private lawsuit. You have the right to file your own legal action against the collection agency in court but should seek the advice of a private attorney since we cannot provide any legal advice.

Call (303) 866-5706 if you have any questions about the bond claim form or process.



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BOND CLAIM FORM

1. Date _____
2. Name/Address of Collection Agency
you are filing against.

3. Your Company Name and Address

4. Your Federal Tax Identification
Number (EIN) _____
5. Your Telephone Number _____
6. Name of Individual completing this
form _____
7. Do you have a written contract with the collection agency?
Yes ____ No ____ (If Yes, attach a copy of the contract.)
8. What amount(s) was the collection agency entitled to retain according to your agreement?
What fee arrangement do you have with this collection agency? Be specific and indicate
amounts for flat fee, percentage, non-legal, legal accounts, etc.

9. What is the basis of your claim that money was collected by the collection agency, but was not paid to your company? Attach as much documentation and additional information as you have. Evidence of assignment of debts to the collection agency, without evidence that money was collected but not remitted, is insufficient to establish your claim.
10. What attempts have you made to obtain those funds from the collection agency? Attach any applicable documentation.
11. List any documents you have to substantiate your claim that an account you assigned to the collection agency was collected but not paid to you. Attach a legible copy of these documents.
12. Formula for calculating the amount of your bond claim.
- | | | |
|----|---|----------|
| a. | Gross Amount collected by the collection agency but not remitted to you | \$ _____ |
| b. | Minus Collection Agency Fee or Commission | - _____ |
| c. | Equals your bond claim amount | = _____ |

By signing below, I attest to the validity of the amount I have claimed, that the amounts claimed are for debts owed by individuals for personal, family, or household purposes, and that this claim does not include amounts for business, commercial, agricultural, or investment debts.

Notarized signature of the person completing this bond claim form.

(Signature)

Subscribed and sworn to before me in the County of _____, State of _____,
this ____ day of _____ 20____.

NOTARY PUBLIC

My Commission expires:
